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|  <p>Town of Allenstown New Hampshire</p> | FINANCIAL POLICIES & PROCEDURES Town of Allenstown, NH | | |
| | <i>Title</i> CONTRACTING POLICY | | |
| | <i>Policy No</i> #2016-004 | <i>Original Adoption Date</i> 10/03/2016 | <i>Revision – No. & Date</i> |

Section 1.0: Purpose

The purpose of this policy is to establish which officials have the authority to execute contracts and agreements on behalf of the Town.

Section 2.0: Organization Affected

All departments and functional areas of the Town of Allenstown.

Section 3.0: Definitions

Contract- a written or spoken agreement between two or more parties creating rights and/or obligations that are enforceable or otherwise recognizable by law, including but not limited to agreements concerning employment, sales, services, or tenancies.

Contractual Obligation- something that a person or entity is legally forced to do through having signed a contract to do.

Governing Body- The governing body of the Town is the Board of Selectmen. The Library Trustees and the Sewer Commission have limited authority to govern the functions of the Town Library and Town sewer system, respectively, as specifically authorized pursuant to RSA chapter 149-I and RSA chapter 202-A.

Section 4.0: Policy

4.1 Signing Authority

The governing bodies of the Town are the only bodies that have the authority to contractually obligate the Town for those purposes for which they are specifically authorized to act. Department heads, other town officials, elected or appointed, and employees do not have that authority except as specified in 4.2 below. For all contracts which may result in an appropriation of town funds or other matters that require approval from the legislative body, the governing bodies shall only be authorized to act provided that all requisite approvals from the Town Meeting, if any, have been obtained.

4.2 Delegation of Signing Authority

The governing bodies may authorize other town officials or employees to sign documents on behalf of the governing body when specifically authorized to do so at a duly noticed and

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constituted meeting of the governing body. This requires the governing body to first vote to enter into an agreement or contract. Additionally the governing body must specifically vote to authorize a particular official or employee to sign on behalf of the governing body.

Multi-Year Obligations

Contractual obligations which bind the Town that results in a financial obligation beyond the current budget year requires a non-appropriation clause or statutory exemption from the prohibition which prohibits the Town from making financial obligations committing the Town beyond the present budget year.

4.3 Contract Provisions

Town officials must carefully review the provisions of contractual obligations that commit the Town. The following provisions should be considered in every contract:

1. The Parties should be clearly identified, and the contract should be reviewed to ensure that all individuals who will incur a Contractual Obligation are parties to, and signatories of the Contract.
2. The Scope of the work should be clearly defined to include what work the contractor will perform and what the obligations of the Town will be.
3. The method of payment, as well as the payment schedule.
4. Determination of the amount of retainage if any, when it will be released, and the process by which it will be released.
5. Insurance Provisions:
 - a. Whether the Town will be named as an additional insured. Ensure separate endorsement is provided in addition to certificate where needed.
 - b. Whether there is an indemnification agreement protecting the Town, and whether the Town is being asked to indemnify a party to the Contract.
 - c. Workers Compensation coverage provisions.
 - d. Monetary minimum insurance coverage amounts.
 - e. Builders risk insurance.
 - f. Venue for dispute resolution: We should ensure that such matters are addressed in New Hampshire courts under New Hampshire law, as opposed to binding arbitration involving out-of-state law or technical standards.
 - g. Time limitations on insurance coverage/indemnification by the contractor covering the Town. Limitations on time to bring claims.
 - h. Waivers of subrogation. We should be leery of provisions which waive the Town's right to subrogation of claims.
 - i. Waivers of jury trial.

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6. Limitations of Liability provisions should be reviewed and considered to address potential site specific hazards or hazardous types of contractual performances.
7. Default Provisions should be carefully reviewed to determine the Town’s rights and liabilities in the event of a default.
8. Performance bond requirements, as specified in RSA 447:16, must be included as a provision of the contract as and when required by that statute.
9. Severability as it applies for sections of an agreement which may be deemed contrary to law which does not invalidate the entire document.
10. Provisions for termination of the agreement.
11. Provisions for transferring, assigning, sub-letting or sub-contracting.
12. General performance requirements to include compliance with all federal, state and local; laws, ordinances and regulations.
13. Warranty provisions.
14. Ability to amend the Contract in writing with the consent of all parties.
15. Guarantees: depending on the entity with whom the Town is contracting, the Town should ensure that sufficient provisions exist to enforce the Contract in the event that the entity ceases to do business or otherwise violates the Contract.
16. Addendums and attachments to the agreement must be included with the contract and referenced in the main body of the contract.

Section 5.0: Procedures

5.1 Review Procedures

Contractual obligations to be entered into by or on behalf of the Board of Selectmen shall be reviewed by the Town Administrator prior to execution. The other governing bodies may and should have contracts they intend to enter into be reviewed by the Town Administrator. Insurance and indemnification provisions should be reviewed by the Town’s insurance carrier prior to execution. Depending upon the complexity of the proposed agreement, town counsel review should be considered, when appropriate.

Section 6.0: Implementation

To facilitate conduct in accordance with this policy, a copy of this policy shall be made available to department heads, employees, volunteers, board and committee members, appointed or elected to office and at such other times as may be necessary.



Town of Allenstown
New Hampshire

FINANCIAL POLICIES & PROCEDURES
Town of Allenstown, NH

Title

CONTRACTING POLICY

Policy No
#2016-004

Original Adoption Date
10/03/2016

Revision - No. & Date

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Section 7.0: Signature

| | Position | Signature | Date |
|--|-----------------------------------|-----------|------------|
| <p><u>Original Policy Prepared By:</u> Shaun Mulholland</p> | Town Administrator | | 10/03/2016 |
| <p><u>Original Policy Reviewed & Approved By:</u> Jason Tardiff</p> | Board of Selectman Chairperson | | 10/03/2016 |
| David Eaton | Board of Selectman | | 10/03/2016 |
| Jeffrey Gryval | Board of Selectman | | 10/03/2016 |



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Section 8.0: Policy & Procedure Revision History

| | Section | Changes Made | Approvals | |
|-------------------|---------|--------------|--|------------|
| | | | By | Date |
| Original Adoption | | | Jason Tardiff David Eaton Jeffrey Gryval | 10/03/2016 |
| Amendment | | | | |
| Amendment | | | | |
| Amendment | | | | |

Signature Certificate

 Document Reference: HSMN6VJDB3T79F7WBBSNAD

RightSignature
Easy Online Document Signing

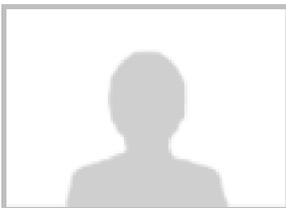


Shaun Mulholland
Party ID: R423VZJZ5I3CCST9FDTE95
IP Address: 64.222.96.214
VERIFIED EMAIL: smulholland@allentownnh.gov

Electronic Signature:

Multi-Factor
Digital Fingerprint Checksum

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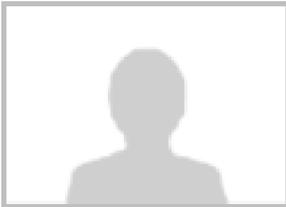


Jeffrey Gryval
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Electronic Signature:

Multi-Factor
Digital Fingerprint Checksum

a3738de8f8da97957702dd849e6b1bb9fb9aa30a



David Eaton
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dde2c0c4536905339c6ce7f56f971159a9719933



Jason Tardiff
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Multi-Factor
Digital Fingerprint Checksum

46f0f46a1e8a2c6f5d8c902e78f2f3115d0dc246



This signature page provides a record of the online activity executing this contract.

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Timestamp

2016-10-17 04:43:32 -0700

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2016-10-17 04:43:15 -0700

2016-10-10 16:41:14 -0700

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2016-10-10 10:35:13 -0700

2016-10-09 07:14:10 -0700

2016-10-09 07:14:02 -0700

2016-10-09 07:14:02 -0700

Audit

All parties have signed document. Signed copies sent to: Shaun Mulholland, Jeffrey Gryval, David Eaton, Jason Tardiff, and Shaun Mulholland.

Document signed by Jason Tardiff (jtardiff@allentownnh.gov) with drawn signature. - 173.9.43.198

Document viewed by Jason Tardiff (jtardiff@allentownnh.gov). - 173.9.43.198

Document signed by David Eaton (deaton@allentownnh.gov) with drawn signature. - 24.91.232.121

Document viewed by David Eaton (deaton@allentownnh.gov). - 24.91.232.121

Document signed by Jeffrey Gryval (jgryval@allentownnh.gov) with drawn signature. - 104.129.196.69

Document viewed by Jeffrey Gryval (jgryval@allentownnh.gov). - 104.129.196.69

Document signed by Shaun Mulholland (smulholland@allentownnh.gov) with drawn signature. - 64.222.96.214

Document viewed by Shaun Mulholland (smulholland@allentownnh.gov). - 64.222.96.214

Document created by Shaun Mulholland (smulholland@allentownnh.gov). - 64.222.96.214



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